



THE STATE BAR OF CALIFORNIA

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OFFICE OF LEGAL SERVICES

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Memorandum

To: Legal Services, Pro Bono and Equal Access Committee (LSC)

From: Rodney Low, Program Developer, Office of Legal Services
Theresa Mesa, Program Developer, Office of Legal Services
Mary Lavery Flynn, Interim Director, Office of Legal Services

Re: Foreclosure Crisis Mitigation Efforts: Discussion of Recent Developments and Plans for New State Bar Foundation Grant

Date: December 17, 2009

Foreclosure Crisis Mitigation Efforts:

- I. The State Bar's various offices have been addressing the different aspects of the foreclosure crisis, such as:

Office of Chief Trial Counsel: Attorneys' improperly charging for loan modification services (or not performing any services at all), resulting in the Office of Chief Trial Counsel investigating and disciplining attorneys;

Ethics Hotline: The Ethics hotline answering calls from attorneys inquiring about the effect of SB 94, prohibiting accepting advance fees for loan modification work; and

Office of Legal Services: The Office of Legal Services receiving calls from homeowners being foreclosed seeking legal assistance and tenants being evicted from foreclosed properties.

These offices met and shared information about their efforts and generated a Fact Sheet for use by all State Bar personnel and posting on the State Bar's website. (See Attachment)

- II. The Office of Legal Services has partnered with Public Interest Clearinghouse to provide information on a website, ForeclosureInfoCA.org. This site has links to many resources to assist homeowners in foreclosure and tenants in foreclosed properties. It also has links for legal services and pro bono programs statewide, to enable citizens to obtain legal information and assistance, as well as programs where attorneys may volunteer their legal services. The California Bar Foundation awarded a grant to maintain and update this site in 2008 and renewed this grant in 2009.

III. Finally, the Office of Legal Services partnered with the Western Center on Law & Poverty to convene Foreclosure Summits, in Southern and Northern California. The California Bar Foundation awarded a grant to convene these 2 sessions. The Summits were designed to be by-invitation only, with legal services attorneys and staff, support center attorneys and staff, and HUD-certified housing counselors. The devastation of foreclosed properties has a financial and emotional consequence far beyond families or individuals losing their homes. Entire communities have been irreparably damaged and will struggle for generations to recover. The State Bar's Board of Governors is committed to seeking ways to offer legal assistance where most effective in an attempt to mitigate the harm that this crisis has caused to Californians. One way is to support the legal services and support centers, along with related entities such as HUD, to meet and share resources as well as conduct long-term planning on strategies to attack the related issues.

Some things that emerged from the first summit were:

1. While there are many local resources working on various aspects of this crisis, there is little statewide coordination.
2. Federal, State and local legislation is rapidly developing and shifting, which forces practitioners to be flexible in their litigation strategies. This information needs to be shared statewide.
3. Training on all of these practices is still an urgent need, particularly in the rural and underserved areas of California, including Central California, the Inland Empire, and the farthest borders, north to Oregon and east towards Arizona and Nevada.
4. There is a lack of awareness of the different tools and mechanisms already available and a statewide entity, such as the State Bar of California and state support centers like the Western Center on Law and Poverty, are best positioned to see and fill the need.

The Office of Legal Services participated in the planning of these summits and will participate in supplemental trainings, particularly with Practising Law Institute. A series of these trainings, offered on a pro bono basis by PLI, has already been produced and updated versions are in the development phase.

Attachments: Agenda, 2009 California Foreclosure Summit
Fact Sheet on Foreclosure Resources